

Message Text

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ACTION ARA-10

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C O N F I D E N T I A L GEORGETOWN 2543

E.O. 11652: GDS
TAGS: GY
SUBJECT: SPEECH BY PM TO MARK 12TH ANNIVERSARY OF PNC IN GOVERNMENT

REF: GEORGETOWN 2506

SUMMARY: AT A MASS RALLY ON DECEMBER 14 TO CELEBRATE THE
12TH ANNIVERSARY OF THE PNC IN GOVERNMENT, THE PM STRONGLY
CRITICIZED OPPOSITION TO THE GOVERNMENT'S ECONOMIC
POLICIES AND DEFENDED AT LENGTH THE PNC RECORD. BURNHAM
USED THE OCCASION TO EMPHASIZE THAT, DESPITE UNPRE-
CEDENTED DEVELOPMENT, VARIOUS PROBLEMS HAD PREVENTED THE
GOVERNMENT FROM MEETING ITS GOAL TO FEED, CLOTHE AND
HOUSE THE NATION BY THE END OF 1976. THE PM WARNED OF
AUSTERE YEAR AHEAD. GUYANESE MUST BE PREPARED TO MAKE
SACRIFICES AND INCREASE PRODUCTIVITY. SEVERAL REFERENCES
WERE MADE TO THE MACHINATIONS OF UNNAMED FOREIGN
ENEMIES TO DESTABILIZE GUYANA. IN PARTICULAR,
PM INDICATED HE IS THINKING OF "PNGING" A FIRST
SECRETARY AT AN UNNAMED FOREIGN EMBASSY FOR
SPREADING FALSE RUMORS. U.S. NOT MENTIONED IN
SPEECH. END SUMMARY.

1. AS PREVIOUSLY REPORTED REFTEL, MAIN THRUST
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OF BURNHAM SPEECH WAS ECONOMIC SITUATION OF

GUYANA. PROCLAIMING THAT THE PNC MUST FORGIVE BUT ALSO NOT FORGET, THE PM LAUNCHED INTO A LONG AND DETAILED ACCOUNT OF THE GOVERNMENT'S ECONOMIC ACCOMPLISHMENTS DURING ITS 12 YEARS IN OFFICE. THROUGHOUT MUCH OF THE ALMOST TWO HOUR SPEECH, HE CONTRASTED THE SUCCESSFUL POLICIES OF THE PNC WITH THE MEAGER RECORD OF THE PPP DURING ITS YEARS IN POWER. THE NATIONALIZATION OF FOREIGN COMPANIES, THE 90 MILLION DOLLAR MAHAICA-ABARY IRRIGATION PROJECT, THE HYDRO-ELECTRIC PROJECT, A COMPREHENSIVE FLOOD PREVENTION SYSTEM, IMPROVEMENT OF SOCIAL SERVICES AND THE DEVELOPMENT OF CO-OPERATIVES WERE CITED AS EXAMPLES OF DYNAMIC LEADERSHIP. THE PM WAS IN FINE FORM WHEN HE CASTIGATED THE PPP FOR ITS QUOTE CARPING OPPOSITION UNQUOTE OF THE NATIONAL SERVICE AND LABELED DISSIDENTS QUOTE WHIPPING AGENTS OF THE ENEMY UNQUOTE. THESE CRITICS SHOULD KNOW NATIONAL SERVICE WILL CONTINUE AS LONG AS THERE IS A PNC GOVERNMENT AND THAT WILL BE FOREVER.

2. AFTER THIS DISCUSSION OF THE ACCOMPLISHMENTS OF THE PNC, BURNHAM BEGAN A MORE SOBER ANALYSIS OF THE MIXED SUCCESS OF THE 1972-76 DEVELOPMENT PLAN WHICH HAD AS ITS GOAL TO FEED, CLOTHE AND HOUSE THE NATION. ADMITTING THAT THE GOVERNMENT HAD NOT MET ITS GOAL, THE PM LISTED INFLATION, CURRENCY FLUCTUATION, THE LACK OF SKILLED PERSONNEL, THE FALL OF SUGAR PRICES, THE RISE OF THE PRICE OF OIL, AND DISASTEROUS WEATHER CONDITIONS AS PROBLEMS WHICH PREVENTED THE GOVERNMENT FROM MEETING ITS GOALS. ALLUDING TO THE STRIKING BAUXITE WORKERS, BURNHAM EMPHASIZED THAT PRODUCTION IN ALL INDUSTRIES MUST BE GREATLY INCREASED AND STRESSED THAT THE GOVERNMENT COULD NOT TOLERATE SUCH NONSENSE.

3. THE FIVE-YEAR DEVELOPMENT PROGRAM, WHICH WAS DUE TO CONCLUDE AT THE END OF 1976, WILL BE EXTENDED INTO 1977 AND A SPECIAL COMMITTEE IS BEING ESTABLISHED TO MAKE RECOMMENDATIONS CONCERNING CONFIDENTIAL

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DEVELOPMENT STRATEGY. BURNHAM TOLD THE GUYANESE THAT THEY MUST QUOTE FACE THE REALITIES OF LIFE UNQUOTE. SPECIFICALLY, MEASURES WILL INCLUDE A SCALING DOWN OF GOVERNMENT SUBSIDIES ON FOODSTUFFS, REGULATIONS TO PREVENT HOARDING OF ESSENTIAL COMMODITIES. A FREEZE ON THE IMPORTATION OF NEW CARS FOR USE FOR PLEASEURE, A CUTBACK ON SPENDING FOR CONSUMER DURABLES AND, FINALLY, A RESTRICTION

ON FOREIGN TRAVEL.

4. THERE WILL NOT BE ANY REDUCTION IN EMPLOYMENT OR IN SPENDING FOR EDUCATION AND NO FREEZING OF SALARIES. EXPENDITURE FOR CAPITAL DEVELOPMENT WILL NOT BE DRASTICALLY REDUCED. THE PM DID NOT ELABORATE ON HOW THE GOVERNMENT PROPOSES TO FINANCE THE BUDGET, BUT HE POINTED OUT THAT THE BELIEVERS WILL BE EXPECTED TO PURCHASE DEFENSE BONDS AMOUNTING TO TEN PERCENT OF THEIR INCOMES AND THAT THE GOVERNMENT EXPECTS TO BORROW FROM UNNAMED FOREIGN SOURCES.

5. SEVERAL TIMES DURING THE SPEECH, BURNHAM MADE CRYPTIC REFERENCES TO RUMORS BEING SPREAD BY QUOTE AGENTS OF THE ENEMY UNQUOTE. HE POINTED TO THE RECENT REPORTS OF IMPENDING BREAD AND MILK FAMINE HERE PUBLISHED IN THE BRITISH PRESS THAT WERE CIRCULATED BY A LOCAL JOURNALIST AS AN EXAMPLE OF THIS. CERTAIN POLITICANS, BURNHAM SAID, WERE BEING USED EITHER OF WITTINGLY OR UNWITTINGLY BY QUOTE THE ENEMY UNQUOTE. THE PM DID NOT DWELL ON THE PROBLEM OF DESTABILIZATION, BUT HE INDICATED THAT RUMORS ARE PART OF THE PROCESS. DESTABILIZATION WAS CITED AS JUSTIFICATION FOR INCREASED EXPENDITURES ON DEFENSE.

6. TOWARDS THE END OF HIS SPEECH, BURNHAM MENTIONED THAT A CERTAIN FIRST SECRETARY OF A FOREIGN EMBASSY HAD STARTED MALICIOUS RUMORS THAT THE GOVERNMENT WAS PREPARING TO CONFISCATE ALL SAVINGS AND THAT ALL GUYANESE WOULD BE REQUIRED TO PURCHASE DEFENSE BONDS. IN AN EMOTIONAL TONE, HE SAID QUOTE THIS MAN KNOWS WHO I AM REFERRING TO IF HE DID NOT HAVE DIPLOMATIC IMMUNITY, WELL I THINK I WILL TAKE CARE OF THIS MATTER. I WILL
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DECLARE THIS PERSON PERSONA NON GRATA. LET HIM GET OUT OF GUYANA UNQUOTE.

7. COMMENT: WE SAW NOTHING STARTLING IN SPEECH EXCEPT FOR THE REFERENCE TO THE UNNAMED FIRST SECRETARY. VIRTUALLY THE TOTAL CONTENT OF THE SPEECH HAD BEEN PREVIEWED IN PRESS REPORTS. THE CRITICISM OF THE PPP WAS STRONG BUT EXPECTED SINCE THIS WAS PARTISAN POLITICAL SPEECH TO PARTY MEMBERS. FOREIGN POLICY WAS GIVEN ALMOST NO PLAY AND U.S. WAS NOT DIRECTLY MENTIONED ALTHOUGH WE MAY BE UNIDENTIFIED "ENEMY" PM ALLUDED TO IN SPEECH. BURNHAM DID NOT MENTION THE PROBLEM OF TERRORISM BY CUBAN EXILE

GROUPS IN CONTEXT OF DESTABILIZATION.
THE UPCOMING BUDGET SPEECH
WILL UNDOUBTEDLY DEAL MORE SUBSTANTIVELY WITH THE
PROPOSED AUSTERITY MEASURES AND PROVIDE A MORE
COMPREHENSIVE VIEW OF THINGS TO COME IN 1977.

8. EMBASSY WILL POUCH FULL TEXT OF PM'S SPEECH
TO DEPARTMENT WHEN AVAILABLE.
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